



VIA EMAIL ONLY

July 6, 2021

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551
regs.comments@federalreserve.gov
Docket ID: R-1740; RIN 7100-AG10

Re: Interim Final Rule Regarding Regulation O, Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks; Docket ID R-1740; RIN 7100-AG10

Dear Secretary Misback,

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing over 200 state and nationally chartered banks, savings banks, and savings and loan associations located in communities throughout the State. WBA appreciates the opportunity to comment on the interim final rule.

Over the past year, the Board of Governors of the Federal Reserve System (FRB) issued several interim final rules to except certain loans that are guaranteed under the Small Business Administration's (SBA's) Paycheck Protection Program (PPP) from the requirements of the Federal Reserve Act and the corresponding provisions of Regulation O. To reflect the latest program extension by Congress, FRB issued this interim final rule to extend the Regulation O exception to PPP loans through March 31, 2022.

WBA filed comment letters in support of FRB's previous interim final rules as the removal of Regulation O obstacles through the exception has helped allow Wisconsin's banks to more efficiently address the needs of their insider-owned small businesses. FRB's past interim final rules have helped ensure eligible businesses have timely access to liquidity to help overcome economic hurdles resulting from the effects of COVID-19 and the mitigating efforts in effect throughout Wisconsin.

WBA appreciates FRB's actions to provide continued clarity that loans made by a bank to insider-owned businesses that are guaranteed under SBA's PPP remain excepted from the Federal Reserve Act and the corresponding provisions of Regulation O. Without an extension of the exception, WBA fears some auditors and examiners would treat such loans differently than PPP loans made on or before June 30, 2020.

As have been requirements of the program since inception, any PPP loan made during the extended program period must still meet certain eligibility and documentation criteria, and have the same interest rate, payment, and loan term. Additionally, all eligibility and documentation criteria and all loan terms and program requirements remain exclusively set by SBA and cannot be altered by the lender. Therefore, FRB should once again extend its exception for PPP loans; this time for PPP loans made through March 31, 2022.

WBA also appreciates FRB's efforts to have promulgated the interim final rules in such a straight-forward manner and for using plain language in its interim final rules. WBA encourages FRB to continue such efforts in future rulemakings and for any other regulatory review efforts.

Once again, WBA appreciates the opportunity to comment on the interim final rule.

Respectfully,

A handwritten signature in black ink, reading "Rose Oswald Poels". The signature is written in a cursive, flowing style.

Rose Oswald Poels
President/CEO